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2012-252 w/s

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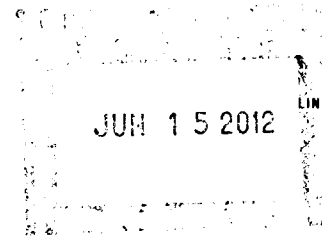
LINDSAY K. SMITH-YANCEY (SC, NC)

THOMAS H. HESSE (SC, GA)

IAN W. FREEMAN (SC, CA)

DANIEL S. McQUEENEY, JR.

KATHLEEN FOWLER MONOC



June 13, 2012

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Jocelyn Boyd
Chief Clerk and Administrator
SC Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

Re: Kiawah Island Utility, Inc.
Our File No.: 2338-001

Dear Ms. Boyd:

Our firm represents Kiawah Resort Associates, LP ("KRA"), the sole shareholder of Kiawah Island Utility, Inc. ("KIU"). KIU provides water and sewer service on Kiawah Island. I am writing the South Carolina Public Service Commission (the "Commission") to request that the Commission make a threshold determination as to whether KRA and KIU must initiate a formal proceeding for approval of a proposed transaction involving the internal transfer of stock of KIU.

KRA has owned all the shares in KIU since its acquisition from Kiawah Island Company, Ltd. in June 1988. KRA is now considering the transfer of the stock in KIU to Bear Island Holding, LLC ("BIH"). KRA and BIH have identical ownership and are under common control. If the stock transfer were to occur, the control of KIU would rest in the same hands as it has been for the last 24 years, although there will be a change in nominal ownership.

SC Reg. 103-704 of the Commission states, in part, as follows:

"No existing public utility supplying water to the public . . . shall hereafter . . . transfer . . . any utility system. . . by the sale of stock or otherwise, without first obtaining from the Commission a certificate that the . . . transfer . . . is in the public interest . . . Such certificate shall be granted only

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after the applicable information set forth in Sub Article 2, 103-710 et seq., has been filed with the Commission and provided to the ORS, and after notice has been given to the Department of Health and Environmental Control and . . . to the public, and after due hearing . . . “

The mirror regulation for sewer utilities is set forth at Reg 105-704.

It is KRA's and KIU's considered view that these regulations requiring approval of the transfer of stock are meant to apply to third party transfers where there will be a fundamental change in ownership or control. The internal intercompany transfer of KIU stock being contemplated does not change ultimate ownership or control of KIU from what they currently are.

Our request for a preliminary determination is to avoid unnecessary expense and delay. My clients are further mindful of the already crowded docket of the Commission and want to avoid yet another formal proceeding if it is entirely unnecessary.

I have discussed this matter with Nanette Edwards of ORS who suggested I write the Commission to obtain a preliminary determination.

If the Commission needs any additional information to consider this request, please let me know. I will gladly provide the same.

If the request set forth in this letter is scheduled for determination by the Commission, I would like to receive notice of the meeting and a copy of the agenda. I want to attend to answer any questions.

Thanking you in advance for your many courtesies in these regards, I am,

Sincerely yours,

PRATT-THOMAS WALKER, P.A.

A handwritten signature in black ink, appearing to read 'Trenholm Walker', written over the typed name.

G. Trenholm Walker

GTWlyye

Enclosures (As noted)

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c: F. David Butler, Esq.
C. Dukes Scott, Esq.
Nanette S. Edwards. Esq.
Shannon Hudson. Esq.
Robert Brooke, Esq.
Townsend Clarkson
David Hawkins, Esq.